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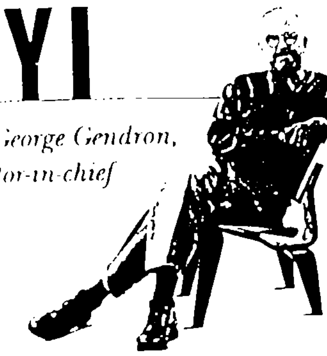


By George Gendron, Editor-in-chief

The Inner City 100

IT WAS ABOUT A YEAR AGO THAT HARVARD BUSINESS SCHOOL professor Michael Porter called me with an intriguing proposal: to create an annual listing of the 100 fastest-growing private companies in America's inner cities. The list, he said, would be modeled after the *Inc.* 500 and would focus public attention on the instrumental role that entrepreneurial companies play in rebuilding the economies of our inner cities, which is perhaps the single greatest challenge confronting our nation on the eve of a new century. He suggested that we structure the project as a joint venture between *Inc.* and the Initiative for a Competitive Inner City (ICIC), the nonprofit he founded in 1994. Together we could create a national awards ceremony.

He didn't have to go any further. I knew immediately that I wanted *Inc.* to be a part of the project.

Now, people are constantly approaching *Inc.* with ideas for listings, rankings, and awards programs of various types. What attracted me to Porter's proposal, however, was the themes it drew together.

One theme has to do with the issue that led to the ICIC's formation in the first place, the crisis of the inner cities. Here we are, in the ninth year of one of the greatest economic expansions in our history, and yet the inner cities continue to fall further and further behind. The consequences are tragic for the people who live there and shameful for the rest of the country. It's a situation that cries out for attention and receives a lot of it. What sets the ICIC apart is its focus on the root cause of the problem: the dearth of wealth generation and job creation in the inner cities themselves.

Beyond analyzing the crisis, Porter and his colleagues have identified the crucial element of a strategy for revitalizing the inner cities. If wealth generation and job creation are the problems, the ICIC has concluded, the solution is to support and foster the types of businesses that generate wealth and create jobs. The goal is to forge a sustainable inner-city economy, one that is not dependent on outside programs but instead driven by an ongoing process of entrepreneurial renewal. Growth companies are the heart and soul of that process.

And I'm not talking here about obscure little retail outlets or a few token growth companies that have bucked the odds. The Inner City 100 consists of an impressive array of businesses from a variety of industries. Nearly a quarter of the companies provide business products and services, and another 12% are in high-technology fields. The average five-year growth rate is 701%, and together the companies have created almost 4,700 jobs in the past five years. Most important, the companies have succeeded not in spite of their location but at least partly because of it. They've seen an opportunity overlooked by others and run with it.

Impressed as I am with the Inner City 100 companies, I'm equally impressed with our partner in this venture. The ICIC grew out of Porter's seminal work on the competitive advantages of inner cities. Today the organization conducts research on inner-city economies and runs mentoring programs to provide inner-city businesses with expertise that might otherwise be hard to come by.

INNER CITY 100 TEAM: *Seth Hanlon, Rachel Greenblatt, Rob Devaney, Amelia Alberghini, Raisa Lawrence, and (not pictured) Anne Habiby.*

PHOTOGRAPHS: FURNALD/GRAY

The ICIC represents a new breed of nonprofits. I spend a lot of time working with such organizations, and they strike me as the philanthropic counterparts of *Inc.* 500 businesses. How often do we hear that today's economy is being transformed by companies that didn't even exist 20 years ago? Well, "social entrepreneurs" like the ICIC people are doing the same thing in philanthropy. They're reinvigorating the entire civic sector of our society, and they're doing it with none of the tools that people in business take for granted. In the process they're transforming the nonprofit world into a place that attracts the brightest and the best young men and women, just as government did in the 1960s, Wall Street did in the 1970s, and entrepreneurship did in the 1980s.

It seems particularly appropriate for *Inc.*, which celebrates entrepreneurship in the business sector, to have undertaken such a project with an organization that exemplifies entrepreneurship in the philanthropic sector. ■

A moving experience

By Norm Brodsky

ENTREPRENEURS TEND TO BE FAIRLY superstitious people. Not to the point of wearing the same socks every day, but most of us recognize the role that luck plays in business, and we don't like doing anything that might change our luck for the worse. I suspect that's one reason we find it so hard to relocate a successful company.

I relocated my company in 1994, and it was one of the toughest decisions I have ever made. As it happened, we were moving to the inner city, as several of the companies on this year's Inner City 100 (see page 81) have done, but I doubt it would have made much difference if we'd been moving to the suburbs or to another state.

RELOCATING A BUSINESS can be agonizing, whether you're moving to the inner city or somewhere else, but it can also do great things for your company

Moving is always difficult, especially when you're doing it as a matter of choice rather than out of necessity. You constantly second-guess yourself. You struggle with memories, attachments, all the comfortable little habits you're going to have to change. You have dozens of fears and anxieties—some based in reality and some in superstition.

But in the end, moving often proves to be a great thing for your business. It was for mine.

I admit that I more or less backed into the decision. Our offices were in Manhattan at the corner of Seventh Avenue and Thirty-third Street, and we were happy there. We'd been running our messenger and delivery service out of that location for 15 years, starting with one small office and growing to occupy two floors. It was a comfortable space with a great view, and our lease was good for another 18 months, at which point we'd have had no trouble renewing. So moving was not even on the radar screen.

What did show up on the radar, however, were a lot of problems at a warehouse we'd bought in Brooklyn for a little records-storage business we'd started. That business was just an adjunct to our main business, but its problems were beginning to take up an inordinate amount of my time.

So I sat down to figure out what was causing the problems—and had a revelation. "Boy," I thought, "this is a great business." The storage company was growing fast and getting very profitable. I could see how it might someday become the engine driving the whole train, provided we could get on top of it. That meant, among other things, that I'd have to spend a lot more time at the warehouse. Inevitably, the question popped into my head: What would happen if we just moved the main business there?

The answer was obvious, and it floored me. We'd save more than $300,000 a year, including rent, taxes, and utilities. At a 30% gross margin, you'd need $1 million in sales to cover that much overhead. By moving, we'd be getting the same benefit without adding a single salesperson.

The next question was, Did we need to be in Manhattan? Certainly not for our customers. I doubt that more than three of them had visited our offices in 15 years. We'd probably have to leave behind a small sales office and the messenger part of the operation, but even after deducting those expenses we'd still have annual savings of $250,000. From a business standpoint, the decision was a no-brainer.

And yet, when we thought about it, we kept coming up with reasons not to move. *We'll lose too many employees. The area around the warehouse isn't safe. We won't be able to hire the people we need. We'll ruin the chemistry of the business.* And on and on.

They weren't *real* reasons, of course. They were just fears we had—which didn't make them any less powerful.

Listen, most people dread the prospect of moving. They don't like change, and they're afraid of the unknown. No matter how much they complain about where they work, they'll come up with reasons why a new place would be worse. And I was no different. I had the same fears that other people have. Moving was the last thing I wanted to do.

But I also knew that to make the right decisions in business you have

PHOTOGRAPH: ERICA FREUDENSTEIN

to put your emotions to one side. I'm not saying that you should ignore them, just that you should handle them separately. When you do, moreover, it's important to make sure you're dealing with facts.

We didn't know the facts, for example, about how safe or unsafe the area in Brooklyn really was. It was inner-city, but that didn't mean it was high-crime. The fact was, we'd been using the warehouse for two years without any significant problems. Nevertheless, to allay concerns, we decided to install a state-of-the-art security system on the premises and operate a van service for employees going to and from the subway.

We dealt with all of our remaining fears in similar fashion. Even so I kept wavering. It took 10 months to prepare for the move, and whenever we hit a snag, I went back and questioned the decision. How would customers feel about our moving to a different area code? How long would it take to train the new employees? Was it really a good idea to leave a lucky location?

I don't think I became fully committed to the decision until we had officially informed our employees and signed a contract for the new telephone system, at a cost of more than $100,000. We moved about three months later. On my last day in the old office I cried.

What I didn't see, what none of us saw, were the benefits that would come from starting over in a new place.

Moving has the power to rejuvenate a business. I'm not saying that it always happens, but when it does, the effect is amazing. You feel as though you're launching the company all over again. There's a whole new level of excitement and enthusiasm. It's fun in the same way a start-up is fun. You're learning something every day.

In our case, there were three unexpected developments that fueled our rejuvenation. First, we were forced by the simple act of moving to do certain things we probably should have done before, such as upgrading our phone and computer systems. We'd built them piece by piece over the years, adding an extension here, a gizmo there. But you can't move jury-rigged systems, so we had to decide what we really wanted. Acquiring the new systems energized the entire company.

Second, moving forced us to change old habits, develop new disciplines, and take a fresh look at various parts of the business. Once we had some distance from the messenger service, for example, we realized it was taking up too much of our time and energy and providing very little in return. We closed it down.

I also became more disciplined about seeing customers. I had to. When we were in Manhattan, I could squeeze the visits into breaks in my schedule. After the move, I had to plan my visits. The result was that I did a much better job of staying in touch with customers.

But the biggest surprise, and the most important discovery, was that our fears were completely unfounded. Yes, we lost people. About 25% of our staff decided not to make the move, and another 10% left afterward. Those who stayed, however, were excited about being there, and the new people we hired brought enthusiasm and fresh ideas.

And hiring didn't become harder, as we'd feared. It got easier. We were recruiting in an area of relatively high unemployment and offering above-average wages. Granted, the location was a negative for some people, but it was a positive for others. The inner-city employees we hired, moreover, have proved to be more reliable than those we've had in the past, maybe because they're closer to home.

As for our concerns about safety, they just disappeared. We run the van only in bad weather now; otherwise, people prefer to walk. Meanwhile, we've yet to experience our first break-in. We had two at our offices in Manhattan.

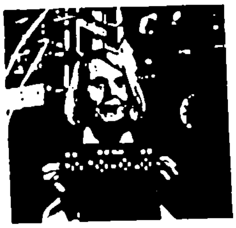
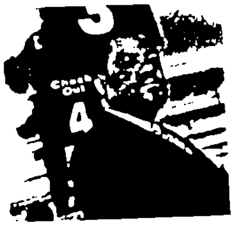
Most important, the chemistry of the business has never been better. We're less spread out physically than we were before, and there's a greater sense of being together, on the same team. The atmosphere is more relaxed. The communication is faster. We're having more fun.

And me? I'm having a ball. Maybe it's a coincidence, but the storage business took off shortly after the move, and I've had a front-row seat. I've been able to watch the business grow before my eyes. There's nothing like it.

I can't believe how lucky this place has been for me. My only fear is that someday I might have to move. ■

Norm Brodsky (brodsky13@aol.com) is a veteran entrepreneur whose six businesses include an Inc. *100 company and an* Inc. *500 company. This column was coauthored by Bo Burlingham. Previous Street Smarts columns are available on-line at www.inc.com/extra/columns/streetsmarts.*

THE INNER CITY 100


America's best-kept secret

Some of the fastest-growing entrepreneurial companies are where you might least expect to find them. The secret of their success? Location, location, location

$4.3-MILLION INTERNET-ACCESS PROVIDER. A $101-million computer-accessories manufacturer. An $8.5-million recruitment company. A $24-million food distributor. Each of them growing rapidly over the past five years. Do they sound like businesses you would expect to find in this country's inner cities? If not, fasten your seat belts. Our first annual Inner City 100, a ranking of America's fastest-growing privately held inner-city companies, is full of surprises.

The 100 companies that we have identified here, in partnership with Harvard Business School professor Michael Porter's nonprofit Initiative for a Competitive Inner City (ICIC), have made their location a true business advantage—whether because of proximity to customers and suppliers, the ready availability of an untapped local labor pool, or the cost advantages of the real estate. "We started from zero. Our product went through several evolutions, and the early years were very labor-intensive," says Y.C. Chang, cofounder of International Power Devices Inc., a $26-million Boston-based electronics manufacturer, which was recently acquired by Power-One Inc., in Camarillo, Calif. "If we had tried to set something up in the suburbs, where we didn't have a labor pool to draw from and where we would have paid high wages, we would have been out of business long ago."

This inaugural Inner City 100 is not about feel-good efforts to revitalize the inner city. It's about business: real revenue growth over a five-year period, measured by the same stringent criteria as those used for our annual *Inc.* 500 list. Together with a team from the ICIC, our staff spent more than six months identifying candidates and learning first-hand about their strategies, strengths, and weaknesses. As a result, we offer you an exclusive snapshot of some of the most creative entrepreneurs in one of the country's least-recognized places to grow a business: the inner city.

—*Karen Dillon, deputy editor*

BOSTON:
ICIC founder
Michael Porter

A window on the new economy

Understanding the economic potential of the inner cities BY MICHAEL PORTER AND ANNE HABIBY

THE INNER CITY 100 IS A MILESTONE IN understanding the economic potential of America's inner cities and, as such, offers a window on the new U.S. economy. The Initiative for a Competitive Inner City (ICIC) has spent the past five years chronicling the competitive potential of inner cities. When we agreed to become partners with *Inc.* in compiling the first-ever ranking of inner-city growth companies, we expected the findings would be interesting. But even we were surprised by the results. The average annual compound growth rate of the companies on the list is 44%, and they collectively created 4,695 new jobs between 1993 and 1997.

The ICIC has long championed the inner city as a good place to do business because of four competitive advantages of the inner city. The Inner City 100 shows how its promise can be transformed from a theory into a concrete reality.

In the first year more than 200 applicants came forward to nominate themselves as high-growth inner-city companies. By *inner city*, we mean economically distressed urban areas suffering from unemployment and poverty. The ICIC's research suggests that inner cities contain about 12% of all U.S. urban households. Inner cities are usually distinct from more prosperous central business districts and often surround those areas geographically.

We knew before we compiled the Inner City 100 that there were many businesses in inner cities—a surprise to those who assume that little economic activity exists there because of those communities' well-known problems. For example, our research with the Boston Consulting Group (BCG) documented that Chicago has approximately 15,000 inner-city companies generating $50 billion in annual revenues and employing about 250,000 people.

(Continued)

In the new economy,

the available and growing labor force will be in inner cities. More than 54% of workforce growth will come from minority communities.

What competitive advantages do inner cities offer businesses? Our research has revealed four principal ones:

- a strategic location at the core of major urban areas, highways, and communication nodes with potent logistical advantages;
- an underutilized workforce with high retention amid a tight overall national labor market;
- an underserved local market with substantial purchasing power that can support many more retail and service businesses than it now has;
- opportunities for companies to link up with and provide outsourcing for competitive clusters (for example, health care and tourism) in the regional economy.

The companies on the Inner City 100 list illustrate particularly well how the first three advantages can combine to create explosive growth.

Strategic location. The Inner City 100 companies overwhelmingly supply other businesses and compete on customer service rather than on price. These logistics-savvy, service-intensive companies cite proximity to customers and to transportation infrastructure as the key competitive advantages of their inner-city location. Put simply, they can get their products or services to their customers quickly and efficiently.

At a time when just-in-time services are a premium in the fast-paced economy, inner cities should be some of the most valuable locations in the competitive landscape. Inner cities are the geographical hubs of their regions. The company that tops this year's list, Pac-Van Inc., in Indianapolis, could even be said to be at the hub of the nation. According to Indianapolis mayor Stephen Goldsmith, Pac-Van is located within a day's drive of 60% of the U.S. market.

Human resources. Over the past 20 years much of the job growth in metropolitan areas has been not at the hub but at the spokes—the suburbs. However, a dramatic shift is occurring in the labor force. For the past few decades the most pressing human-resource issue facing the U.S. economy has been the creation of jobs. Over the next 10 years the critical issue will be finding workers. Growth in the labor supply, projected to be 1.1% a year by the U.S. Census, will fall far short of the demand for labor, which has increased by an annual average of 2.6% over the past two years.

In the new economy the available and growing labor force will be in inner cities. More than 54% of workforce growth will come from minority communities, which are heavily concentrated in cities and inner cities. The challenge for many companies will be to attract, train, and retain that increasingly diverse and urban workforce. Some companies have experimented with transporting urban workers to the suburbs, with mixed results. Ultimately, the shortage of labor and high cost of commuting will make that strategy less and less tenable.

However, more and more companies are moving into inner cities and beginning to contribute to public efforts in workforce development and training. Some, like ColorMatrix, an Inner City 100 company based in Cleveland, have even turned down incentives (including tax benefits) to move to the suburbs. ColorMatrix has stayed put because its access to labor is one of its key competitive advantages, and its inner-city location is part of the company's branding. Like the rest of the Inner City 100, CorlorMatrix is defining new strategies for training and retaining workers in a tight labor market.

Underserved local market. The new U.S. economy will be characterized by the ascendance of minorities, and inner-city households specifically, in important new roles as both workers and consumers. Our research with BCG shows that inner-city residents annually contribute at least $85 billion, or 7%, of all U.S. retail spending. More than 25% of that demand is not being met by neighborhood retailers.

Fulfilling the potential of inner cities will require that we address the many disadvantages those communities pose as business locations. But it's important to distinguish between perception and reality. The Inner City 100 CEOs cite as competitive disadvantages negative *perceptions* about their neighborhoods—especially in regard to crime—far more often than they cite *actual* crime rates or an inadequate labor pool. The Inner City 100 should shed new light on the reality of those neighborhoods.

The Inner City 100 demonstrates that the real opportunity to create self-sustaining income and wealth for inner-city residents is ultimately through the private sector. If just 100 inner-city companies created 4,695 jobs between 1993 and 1997, think of what a concerted effort to foster entrepreneurship in inner cities could mean. Such a push could have a major impact on national economic development by bringing more of our citizens into the market economy.

Largely abandoned during the era of industrial restructuring, the inner city is now a frontier of business growth and entrepreneurship. The Inner City 100 companies are growing rapidly because they're creating the products and services that meet the needs of new markets and are tapping the new labor forces.

Sustainable economic development in inner cities will come from building on the base of existing companies that are the front-runners in the new economy. Their potential, combined with tight labor markets, a growing supply of capital, and the renaissance of many adjacent downtown areas, has created an economic environment that this country has dreamed about for decades.

For further information, please visit the ICIC's Web site at www.icic.org. ■

Michael E. Porter is the C. Roland Christensen Professor of Business Administration at Harvard Business School, a leading authority on competitive strategy, and the founder of the Initiative for a Competitive Inner City. Anne Habiby is the ICIC's director of research, strategy, and communications.

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THE INNER CITY 100

The first annual ranking of the fastest-growing, privately held inner-city companies in America

COMPANY	1997 NO. OF EMPLOYEES	1997 REVENUES	SALES GROWTH 1993–1997 (% INCREASE)	COMPOUND ANNUAL GROWTH (CAG) 1993–1997
1 **Pac-Van** Indianapolis, IN Leases & sells modular offices & storage units	55	$9,154,377	19,265%	273%
2 **Shore.Net** Lynn, MA Provides Internet-access & Web-hosting svcs	56	4,255,845	8,712	206
3 **Roundhouse** Compton, CA Sells compact-disc organizers & insulated coolers	61	11,429,698	5,425	173
4 **Tucker Technology** Oakland, CA Installs & engineers telecommunications & IT systs	84	2,464,129	3,330	142
5 **Construct Two Group** Orlando, FL Provides construction-mgmt. svcs	27	7,041,331	2,964	135
6 **Thermagon** Cleveland, OH Mfrs. thermal-conductive materials for electronics	24	4,933,227	2,662	129
7 **Baja Printing** San Diego, CA Provides commercial-printing & digital-duplicating svcs	18	2,734,997	1,363	96
8 **TCG** El Paso, TX Sells & svcs. computers & networks	13	4,064,345	1,109	86
9 **Envios, R.D./Pronto Envios** New York, NY Provides money-transfer svcs	39	6,059,320	1,060	85
10 **YMLA** Los Angeles, CA Mfrs. apparel	70	20,315,299	1,021	83
11 **NuStyle Development** Omaha, NE Develops historical bldgs. into apartments & offices	27	8,532,463	1,008	82
12 **Plitt** Chicago, IL Wholesales seafood	55	16,424,706	997	82
13 **Historic Restoration** New Orleans, LA Develops & manages inner-city real estate	418	55,334,400	970	81
14 **Armory Revival** Providence, RI Rehabilitates & restores real estate & builds new housing	23	6,695,274	883	77
15 **Impulse Group** Minneapolis, MN Designs, builds, & installs audio & video systs	22	3,178,554	786	73

Being There

Cofounders: Michael Shaughnessy, president (pictured below), and John Haugh, CEO
Company: ColorMatrix Corp., #37
Location: Cleveland
Business: Manufactures liquid color for plastic products

Reasons for locating in the inner city: Proximity to suppliers, labor, public transportation, and warehousing facilities is important. But, says Shaughnessy, "the thing that's really kept us here is our close connection with the revitalization of the city." In 1998, Labor Secretary Alexis Herman visited ColorMatrix and held a press conference on welfare-to-work programs. "She invited us to attend a lunch with her at the National Press Club in Washington, D.C.," says Shaughnessy. "For us, the welfare-to-work program is good, cheap branding."

Key inner-city disadvantage: "The buildings in Cleveland's inner city, for the most part, were built in the 1920s and '30s," says Shaughnessy. "They weren't designed for today's industries. We're always adapting the business to fit the structure rather than designing the building around our business."

Quote: "We don't do welfare-to-work for the tax credits," says Shaughnessy. "There are some available, but the red tape makes it more trouble than it's worth. Plus, the image that tax credits project to the employees is that ColorMatrix is getting a credit for tainted merchandise. When we hire people from welfare, we want them to come here and be on equal footing with their coworkers."

—*Mike Hofman*

PHOTOGRAPH: JEFF SCIORTINO

Being There

CEO: Pedram Fararooy
Company: ABB Labels, #92
Location: Los Angeles
Business: Manufactures labels and tags

Reasons for locating in the inner city: ABB's location near downtown L.A. gives Fararooy a relatively short commute of 30 to 40 minutes, and also means easy access to suppliers, customers, and labor. To his surprise, ABB's inner-city location generated some walk-in business from manufacturers in L.A.'s garment district. Overall, Fararooy says, such traffic accounts for 5% to 10% of his business. "When we started, people would walk in and ask, 'Are you doing these kinds of labels—fabric labels?' Even though that was not what we did, eventually we realized there were no marketing costs, so we expanded our product line."

Key inner-city disadvantage: In downtown Los Angeles, Fararooy estimates, his tax bill is about 5% higher than it would be in the surrounding suburbs. "There are other cities 10 or 15 minutes away from here that are actually business oriented," he says.

Quote: "Our sales would be 20% to 30% lower elsewhere," Fararooy says. "Lots of customers call up and say, 'Can you have this by Tuesday?' and the only way we can do that is by having quick access to suppliers and delivery."

—*Emily Barker*

COMPANY	1997 NO. OF EMPLOYEES	1997 REVENUES	SALES GROWTH 1993–1997 (% INCREASE)	COMPOUND ANNUAL GROWTH (CAG) 1993–1997
16 **Integrity Distribution** Buffalo, NY Sells office prods.	16	$3,417,846	766%	72%
17 **Hamel Group** Oakland, CA Provides recruitment & human-resources marketing svcs.	13	8,537,784	721	69
18 **iQuantic** San Francisco, CA Provides human-resources consulting svcs.	24	4,791,958	712	69
19 **Staff Solutions** Detroit, MI Provides temporary general-labor svcs	22	5,076,931	683	67
20 **Give Something Back** Oakland, CA Sells office supplies & furniture & provides printing svcs	47	7,547,024	626	64
21 **SouthStar Steel** Charlotte, NC Imports & markets stainless-steel bars	70	79,387,060	602	63
22 **Contract Furnishings** Kansas City, MO Markets office furniture & mfrs. custom wood furniture	18	4,234,674	561	60
23 **Goode Trash Removal** Hyattsville, MD Provides waste-mgmt., trash-hauling, & recycling svcs	60	3,503,816	454	53
24 **H.B. Meats** Dallas, TX Wholesales meat	25	4,865,358	442	53
25 **Belkin Components** Compton, CA Mfrs. computer accessories & power protection prods	381	100,834,048	400	50
26 **Complete Personnel Management** Cleveland, OH Provides staffing & employee-mgmt. svcs	19	14,337,848	384	48
27 **Berryman Enterprises** Oklahoma City, OK Provides general contracting svcs	40	9,162,830	352	46
28 **Giroux Glass** Los Angeles, CA Provides construction subcontracting svcs.	100	12,679,981	337	45
29 **New World Security Associates** Boston, MA Provides security guard svcs	160	5,185,590	335	44
30 **Lori Bonn Jewelry** Oakland, CA Designs sterling-silver jewelry	10	1,301,022	326	44
31 **Interface Data Systems** Phoenix, AZ Designs & mfrs. electronic-interface devices	163	10,056,491	325	44
32 **K.F. Express** Columbus, OH Transports time-sensitive freight	25	1,578,944	313	43
33 **Archives Management** Waterbury, CT Provides record-mgmt. & storage svcs	23	1,748,228	310	42
34 **Crystal Window & Door Systems** Flushing, NY Mfrs. aluminum & vinyl windows & doors	150	19,837,277	296	41
35 **Roses Southwest Papers** Albuquerque, NM Mfrs. paper prods. using recycled materials	110	23,511,000	292	41
36 **Page After Page** Washington, DC Sells & maintains computer, printer, & photocopier prods	11	1,021,270	260	38
37 **ColorMatrix** Cleveland, OH Mfrs. liquid color concentrates for thermoplastic industry	129	34,089,149	245	36
38 **City Theatrical** Bronx, NY Mfrs. lighting accessories for entertainment industry	15	1,391,669	237	35
39 **S & S Promotions** Oklahoma City, OK Prints retail signs	30	2,983,313	237	35
40 **Intech Construction** Philadelphia, PA Provides general-contracting svcs.	41	84,019,409	234	35

COMPANY	1997 NO. OF EMPLOYEES	1997 REVENUES	SALES GROWTH 1993–1997 (% INCREASE)	COMPOUND ANNUAL GROWTH (CAG) 1993–1997
41 **FBG Services** Omaha, NE Provides janitorial & facility-mgmt. svcs.	1,700	$44,639,112	218%	34%
42 **Tire Group International** Miami, FL Wholesales & exports tires & rubber-related prods.	42	33,316,839	202	32
43 **Building Products Plus** South Houston, TX Supplies & consults on specialty wood prods	12	3,972,146	195	31
44 **Interlink Group** Denver, CO Provides information-systs. consulting svcs	142	12,936,752	187	30
45 **Fischer Group** Louisville, KY Develops single- & multifamily affordable housing	20	3,788,106	181	29
46 **Color Reflections** Philadelphia, PA Provides digital & traditional photographic & printing svcs	46	4,835,965	178	29
47 **Steeltech Manufacturing** Milwaukee, WI Fabricates & coats metal	215	40,485,513	174	29
48 **Advanced Electronics** Boston, MA Does contract electronics manufacturing	295	36,845,363	173	29
49 **Quality Laser Services** Buffalo, NY Remfrs., distr., & svcs. laser-printer cartridges	16	1,363,157	168	28
50 **Ullman Electric** Cleveland, OH Provides electrical-contracting svcs	65	6,161,281	162	27
51 **Arizona Office Equipment & Supply** Phoenix, AZ* Sells & svcs. imaging equip	64	4,795,007	161	27
52 **Jen-Cyn Enterprises** Camden, NJ Distr. galvanized sheet steel	51	10,914,30[illegible]	161	27
53 **Automotive Technologies** Indianapolis, IN Remfrs. disc-brake calipers	28	1,517,962	160	27
54 **Stagecoach Cartage & Distribution** El Paso, TX Provides regional trucking & warehousing svcs	220	12,494,557	158	27
55 **E. Morris Communications** Chicago, IL Provides advertising, public relations, & promotional svcs	20	2,106,175	156	27
56 **International Power Devices** Boston, MA Mfrs. electronic power converters	324	25,547,038	154	26
57 **Girard's Fine Foods** Los Angeles, CA Mfrs. salad dressings & other condiments	49	16,331,614	152	26
58 **Shawmut Design and Construction** Boston, MA Provides construction mgmt. & general-contracting svcs	160	101,813,455	152	26
59 **Hopkins & Hopkins** Milwaukee, WI Provides general construction svcs.	18	2,170,384	150	26
60 **Best Care** Minneapolis, MN Provides home-health-care svcs	115	3,188,067	149	26
61 **Boulevard Brewing** Kansas City, MO Brews beer	31	3,876,499	139	24
62 **Tracey/Soltrace** Philadelphia, PA Mfrs. & sells custom office furniture	28	1,395,315	139	24
63 **Diaz Foods** Atlanta, GA Mfrs. & distr. Hispanic foods	85	23,524,372	138	24
64 **Load King Manufacturing** Jacksonville, FL Mfrs. food service & waste-handling equip.	309	34,894,698	138	24
65 **Alegre Construction Specialists** Holyoke, MA Provides general-contracting svcs.	60	1,655,395	133	24

*Relocated to Tempe, AZ, as of 1/99

Being There

CEO: René Diaz
Company: Diaz Wholesale & Manufacturing (dba Diaz Foods) #63
Location: Atlanta
Business: Manufactures and distributes Hispanic foods

Reasons for locating in the inner city: Diaz knows the area intimately: he grew up in midtown Atlanta, where his father and grandfather owned five grocery stores. His father, Julio Diaz, founded the business, which made a gradual transition from retailer to manufacturer/distributor when René, at 18, began buying spices from Florida and putting out feelers to area stores and restaurants. The company is 12 minutes from the airport. Diaz often uses that advantage to strike deals with Mexican manufacturers during their stopovers. "I can get there between the time they arrive at the gate and the time they're finished with baggage claim," he says.

Key inner-city disadvantage: "There's not really a pool of people in the inner city to hire," Diaz says. "We're often looking for Spanish speakers, and a lot of the Latino population lives in Norcross [some 40 miles away]. It's difficult drawing people in, because of the big commute and the traffic." Of Diaz's 25 salespeople, all but 3 know Spanish. "We want the operator to know Spanish and funnel customers in immediately, instead of having the callers hold for the next available Spanish speaker."

Quote: "My dad is the best salesman we have," Diaz says. "He sold his store, and now he leads us in sales. In a year he put 70,000 miles on his new Lincoln Navigator." *Ilan Mochari*

Being There

CEO: Carol Ann Clements
Company: Jen-Cyn Enterprises, #52
Location: Camden, N.J.
Business: Distributes galvanized sheet steel

Reasons for locating in the inner city: "From a distribution standpoint, Camden is perfect," says Clements. Jen-Cyn's seven trucks can make deliveries from western Pennsylvania to Baltimore, all in one-day runs. Plus, it's close to the pier (where imported steel is unloaded).

Key inner-city disadvantages: "We need additional warehousing space," Clements says. "I've tried working with the city and county, and they don't budge. Right now we're on two sides of the street, and we want the space on the corner, which has been in foreclosure for years. Based on the jobs we provide and the strength of the company, you'd think they'd help. The political wheel keeps turning, and nothing gets done."

Quote: "Camden is very successful in getting government grants because it's poor," Clements says, "but they go to nonprofits, which are great, but they're not committed to sustainable growth, which I say is creating jobs, not giving handouts." —I.M.

COMPANY	1997 NO. OF EMPLOYEES	1997 REVENUES	SALES GROWTH 1993–1997 (% INCREASE)	COMPOUND ANNUAL GROWTH (CAG) 1993–1997
66 **Gateway Security** Newark, NJ Provides security svcs.	400	$11,235,942	133%	23%
67 **CB Richard Ellis—Memphis** Memphis, TN Provides leasing, brokerage, & construction-mgmt. svcs.	96	3,769,079	132	23
68 **Architectural Design Group** Oklahoma City, OK Provides architectural, planning, & interior-design svcs.	30	2,545,200	131	23
69 **Funk and Co.** El Paso, TX Provides mechanical & electrical contracting svcs.	141	20,326,535	128	23
70 **Hereford House** Kansas City, MO Operates steak restaurant	200	9,326,448	127	23
71 **Trendex** St. Paul, MN Mfrs. & distr. presentation materials	48	5,249,023	127	23
72 **Eutectic Engineering** Detroit, MI Mfrs. precision investment castings	107	7,873,980	127	23
73 **Talan Products** Cleveland, OH Provides contract manufacturing & metal stamping	44	8,198,474	123	22
74 **P. Flanigan & Sons** Baltimore, MD Builds highways & mfrs. asphalt	236	43,573,919	121	22
75 **Waterworks** Columbus, OH Provides plumbing & drain-cleaning svcs	63	4,170,000	121	22
76 **American Echo** Kansas City, MO Mfrs. & sells equip. used for cardiac ultrasounds	15	2,599,908	121	22
77 **Fitigues** Chicago, IL Designs, mfrs., & sells apparel	100	21,339,929	121	22
78 **Gene's Plating Works** Los Angeles, CA Electroplates aluminum & steel wheels	280	16,769,726	119	22
79 **Tom Cat Bakery** Long Island City, NY Bakes artisan bread for wholesale	95	4,852,616	116	21
80 **American Christmas Decorations** Bronx, NY Designs & installs commercial Christmas decorations	25	1,465,265	116	21
81 **A-1 Fire Equipment** Miami, FL Provides fire & safety svcs. & prods	20	1,563,683	114	21
82 **Adtec Electroplating** Lawrence, MA Performs electroplating svcs.	80	7,355,791	113	21
83 **Uniglobe Keystone Travel** Milwaukee, WI Operates travel agency	12	4,962,529	113	21
84 **Office Plus** Las Vegas, NV Sells office supplies, furniture, & machines	41	6,080,567	110	20
85 **Phoenix Hotel/Backflip** San Francisco, CA Operates hotel & restaurant	40	2,270,377	104	19
86 **EHOB** Indianapolis, IN Mfrs. & sells prods. for treating pressure ulcers	77	7,311,930	100	19
87 **Shapco Printing** Minneapolis, MN Provides commercial printing svcs	100	15,404,357	100	19
88 **Star Hardware** Hartford, CT Sells hardware & bldg. supplies & provides contracting svcs.	18	2,131,067	100	19
89 **Stop Shop Save Food Markets** Baltimore, MD Retails groceries	483	53,491,347	96	18
90 **Dock's Great Fish** Chicago, IL Operates seafood-restaurant chain	147	12,028,173	95	18

Being There

Cofounders: (from left) Alan, Robert, and Joel Shapiro
Company: Shapco Printing Inc., #87
Location: Minneapolis
Business: Does commercial printing

Reasons for locating in the inner city: "When we started out, 23 years ago, we were simply looking for a place that was cheap," says Joel Shapiro. Shapco rented its first site for $150 a month. These days Shapco is five blocks away in a former carpet warehouse, bought for $440,000 and fixed up for another $200,000. Shapco's central location puts it within easy striking distance of its customers, 80% of whom are based in the Twin Cities metropolitan area. "That proximity is especially important for high-end color-printing work, since clients often need to come to the plant for press checks," Joel says.

Key inner-city disadvantage: Because printers at Shapco work overnight, there have been some security problems. "The only issue we have is that transients will break into a car if they see anything left out, so we have security from sundown to sunrise," Joel says. Hiring a guard to watch the parking lot six nights a week costs Shapco $52,000 a year.

Quote: "There isn't a lot of crime around here," says Joel. "The stuff that happens is so petty. But the perception is worse than the reality. We've actually lost some business that way. There are people that have no desire to come down to this area at night, for example." —E. B.

PHOTOGRAPH — SAL SKOG

COMPANY	1997 NO. OF EMPLOYEES	1997 REVENUES	SALES GROWTH 1993–1997 (% INCREASE)	COMPOUND ANNUAL GROWTH (CAG) 1993–1997
91 Warehouse One Kansas City, MO Buys, sells, trades, rents, & recycles business equip.	49	$5,435,233	93%	18%
92 ABB Labels Los Angeles, CA Mfrs. labels & tags	35	2,713,246	89	17
93 Sterrett Dymond Stewart Charlotte, NC Provides full-service advertising	10	2,904,583	88	17
94 Badders Garage San Antonio, TX Repairs trucks & automobiles	13	1,126,056	83	16
95 Spectrum Imaging Systems El Paso, TX Sells & svcs. office systs.	39	5,208,776	82	16
96 Neil Kelly Portland, OR Designs & remodels homes & interiors	128	11,796,168	81	16
97 Levtran Enterprises Hanover, MD Retails urban fashion apparel & footwear	300	22,263,974	81	16
98 Commercial Kitchen Repair San Antonio, TX Repairs commercial-kitchen equip. & retails parts	58	5,564,566	81	16
99 Even Cut Abrasive Cleveland, OH Mfrs. abrasive specialty prods.	120	8,234,916	74	15
100 Leasa Industries Miami, FL Produces tofu, fresh vegetables, & oriental specialty prods.	45	3,466,072	72	15

Methodology: Finding the Inner City 100

Basic Qualification Criteria

To qualify for the Inner City 100, a company had to—

- be an independent, for-profit corporation, partnership, or proprietorship (not a subsidiary or division)
- have 51% or more of its physical operations in inner-city areas
- have 10 or more employees in 1997
- have a five-year operating sales history that included at least six months of sales revenues in 1993, an increase in 1997 sales over 1996 sales, and sales of at least $1 million in 1997.

Applicants were required to submit the first three pages of their signed tax forms for 1993, 1996, and 1997, or financial statements (audits or reviews) prepared by an outside auditor or accountant. The documentation had to reflect the same method of accounting for all three years. Applications were subject to a strict due-diligence process, including a complete review of all financial materials by the Initiative for a Competitive Inner City's pro bono consultant, PricewaterhouseCoopers. At the recommendation of PWC, the revenue numbers were annualized for all companies that had less than a full year of sales in 1993. Companies were then asked to complete an extensive survey and phone interview.

Central business districts were excluded from the definition of an inner-city location. To ensure that the businesses were located in inner cities, the ICIC undertook rigorous demographic analysis using mapping software for each company. Eligible companies were located in zip codes and census-block track groups with the following benchmarks: a median household income that was 25% lower than that of the local metropolitan statistical area and a poverty rate that was 50% higher than that of the MSA. Additionally, site visits were conducted by the ICIC, *Inc.* staff members, and ICIC partners to a majority of the top 120 candidates.

—Raisa Lawrence, manager, Inner City 100, and vice-president, ICIC

Special thanks to Rob Devaney, Lorn Davis, Anne Habiby, Amelia Alberghini, Rachel Greenblatt, Seth Hanlon, Bill Lamb, Anthony Borelli, Elyse Friedman, Najmal Kahn, and the entire ICIC staff, as well as the PricewaterhouseCoopers team of Mieka Driscoll, Jamie Pittman, and Jay Mattie

ICIC Initiative for a Competitive Inner City

The ICIC - Inc. Magazine **Inner City 100**

TO: Cliff Kellog

FROM: Deirdre Coyle, 617/292-2646

DATE: 21 April 1999

RE: INNER CITY 100

Attached please find ________ press releases for National ________ *Inner City 100* winners. ~~The national press release is coming separately.~~

Embargoed

cc: Ben Andrews Ibanez H. Gantz (fax) T. Carter Sokol

727 Atlantic Avenue Suite 600 Boston, Massachusetts 02111
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[001]

ICIC Initiative for a Competitive Inner City

The ICIC – Inc. Magazine **Inner City 100**

EMBARGOED FOR RELEASE
22 April 1999, 8:00 PM

CONTACT: Deirdre M. Coyle
Telephone – 617/292-2646
P6/(b)(6)
Heather Wyatt, Inc. magazine
Telephone – 212/849-8252
Dean Mastrojohn, Inc. magazine
Telephone – 212/849-8261

THE ICIC – INC. MAGAZINE *INNER CITY 100:* AMERICA'S BEST-KEPT SECRET

***Inner City 100* Companies Responsible for Close to 5,000 New Jobs**

BOSTON, April 22, 1999...Today, the Initiative for a Competitive Inner City (ICIC) and Inc. magazine announced the inaugural *Inner City 100* list. **The ICIC - Inc. Magazine *Inner City 100*** is the first national listing featuring 100 of the fastest growing businesses based in core urban areas in the United States. Harvard Business School Professor Michael E. Porter, Founder, Chairman and CEO of ICIC and George Gendron, Editor-in-Chief of Inc. magazine made the announcement at the Inner City 100 Awards Dinner, a gala event aimed at focusing attention on inner-city business opportunities. Over 100 inner-city entrepreneurs and 600 national business and community leaders attended the event, which raised over $1 million to further ICIC's work to promote business development in inner cities across the country.

"The *Inner City 100* entrepreneurs demonstrate that the inner city offers a compelling opportunity to build and grow businesses. Through creativity and innovation, the *Inner City 100* are meeting the demands of new markets, tapping new labor forces, and becoming front-runners in the new economy," stated Porter. "We hope this inaugural *Inner City 100* list will prove to be a milestone in raising national awareness of the tremendous potential for business development in America's inner cities, and in moving from assigning blame for the difficulties in our urban areas to celebrating success."

With average 1997 sales of $14 million, average five-year growth rate of 700%, average annual compound rate 44% and creation of close to 5,000 new jobs, the *Inner City 100* companies are impressive. The companies showcase the growing dynamism of inner-city economies and the new frontier of entrepreneurship in core urban areas.

- more -

ICIC has spent the last five years chronicling the competitive potential of inner cities. Strategic location, availability of labor, local market demand and growth opportunities via integration with the regional economy are advantages. The *Inner City 100* companies are not only successful businesses, but also powerful engines for job growth and wealth creation, in large part because they have tapped into the competitive advantages of their inner-city locations.

"Given the extraordinary success of the Inc. 500 at demonstrating the importance of privately-held growth companies on the overall American economy, we see the *Inner City 100* companies as a look into the future of the American economy, a new force for economic and policy change, and a group of companies that the rest of American business should and will be keenly interested in," stated Gendron. "This list shows that the inner city is not only a viable, but also a compelling and attractive place to build a company.

Vice President Al Gore stated, "I want to applaud the creation of the pathbreaking *Inner City 100* national ranking. The success of each of the companies on the list underscores the tremendous opportunities that exist for the private sector in our country's urban communities. Over time, the *Inner City 100* will help tell the story of our progress as a nation in rebuilding the economies of our inner-cities."

When asked to list the competitive advantages for operating in the inner city, 63% of *Inner City 100* CEOs responded that the proximity to customers was a main advantage, 43% responded availability of labor and 40% mentioned transportation. Additionally, 85% of the companies plan on expanding operations in the next three years, and 95% would not consider moving out of the inner city.

When asked to list the competitive disadvantages for operating in the inner city, 58% responded that the perception of crime was the main disadvantage, 51% stated negative perceptions of the inner city and 35% responded lack of space for expansion.

Porter concluded, "The *Inner City 100* have succeeded not in spite of their location but because of it. They have seen an opportunity overlooked by others and have run with it."

The *Inner City 100* is the first list to focus exclusively on the fastest growing private companies located in America's inner cities. Compiled through an extensive national nomination process, the list will be published in the May 1999 issue of Inc. magazine along with extensive editorial coverage. PricewaterhouseCoopers served as *pro bono* consultant on the project.

- more -

The Inner City 100 companies are ranked according to their compound rate of revenue growth over the past five years. To qualify for the list, businesses must be independent, privately held, for-profit corporations, partnerships or proprietorships (not subsidiaries or divisions) that have:

1. 51% or more of their physical operations in inner-city areas (Inner cities are defined as core urban areas that currently have household income and employment levels that are lower than their surrounding metropolitan areas.)
2. Sales of at least $1 million in 1997
3. A five year operating history that includes an increase in 1997 sales over 1996 sales
4. 10 or more employees

The *Inner City 100* companies were honored at the inaugural Inner-City Entrepreneurship Dinner with the top three companies receiving special acknowledgement. Over 700 national business, government and community leaders committed to inner-city economic development attended the dinner.

# # #

Attached complete **Inner City 100**

Initiative for a Competitive Inner City

The Initiative for a Competitive Inner City (ICIC) is a national, not-for-profit organization founded in June 1994 by Harvard Business School Professor Michael E. Porter, following several years of pioneering research on inner-city business and economic development. With affiliates in four cities and significant on-the-ground activities in many others, ICIC has rapidly established itself as a national force in inner-city economic development.

The ICIC mission is to build healthy economies in America's inner cities that create jobs, income, and wealth for local residents. We act to transform thinking, provide cities with a new vision of economic development, and engage the resources of the private sector to accelerate inner-city business growth.

Inc. Magazine

Inc. is the leading magazine written for the men and women who own and manage small-to-midsized, fast-growing companies. Published 18 times a year, Inc. helps its 2.2 million readers by providing expert advice and practical solutions as they face the opportunities, pitfalls, and rewards of growing a company. Inc. Online (www.inc.com), the Web site for growing companies, was named Best Online Magazine by Folio and Best Overall New Publication (all media) by the Computer Press Association.

ICIC Initiative for a Competitive Inner City

The ICIC - Inc. Magazine **Inner City 100**

The Inner-City 100 by Rank

Rank	Company	Location	CEO
1	Pac-Van	Indianapolis, IN	Brent S. Claymon
2	Shore.Net	Lynn, MA	Lowell Gray
3	Roundhouse	Compton, CA	Howard Sherman
4	Tucker Technology	Oakland, CA	Frank Tucker
5	Construct Two Group	Orlando, FL	Derrick D. Wallace
6	Thermagon	Cleveland, OH	Carol A. Latham
7	Baja Printing	San Diego, CA	Ruben Sanchez, Jr.
8	TCG	El Paso, TX	Olga "Cookie" Mapula
9	Envios, R.D./Pronto Envios	New York, NY	Rodger Zepka
10	Y.M.L.A.	Los Angeles, CA	Larry Block
11	NuStyle Development	Omaha, NE	Todd Heistand & Tammy Barrett
12	Plitt	Chicago, IL	Sean O'Scannlain
13	Historic Restoration	New Orleans, LA	Pres Kabacoff
14	Armory Revival	Providence, RI	Robert E. Dupré, Jr.
15	Impulse Group	Minneapolis, MN	Katharine Norton & Robert Oswood
16	Integrity Distribution	Buffalo, NY	Peter Hammerl
17	Hamel Group	Oakland, CA	Pam Hamel
18	iQuantic	San Francisco, CA	Mark H. Edwards
19	Staff Solutions	Detroit, MI	Marilyn Malin
20	Give Something Back	Oakland, CA	Sean Marx & Michael Hannigan
21	SouthStar Steel	Charlotte, NC	Klaus Becker
22	Contract Furnishings	Kansas City, MO	Steve Stroade
23	Goode Trash Removal	Hyattsville, MD	Willie K. Goode
24	H.B. Meats	Dallas, TX	J. Aron Fogiel
25	Belkin Components	Compton, CA	Chet Pipkin
26	Complete Personnel Mgmt.	Cleveland, OH	Jay Lucarelli
27	Berryman Enterprises	Oklahoma City, OK	Michael J. Berryman
28	Giroux Glass	Los Angeles, CA	Anne-Merelie Murrell
29	New World Security Associates	Boston, MA	Cassie H. Farmer & Roberta Adams
30	Lori Bonn Jewelry	Oakland, CA	Lori Bonn Gallagher
31	Interface Data Systems	Phoenix, AZ	Mahasen Samaravijaya
32	K.F. Express	Columbus, OH	Kevin J. Flaherty
33	Archives Management	Waterbury, CT	A.J. Wasserstein
34	Crystal Window & Door Systs.	Flushing, NY	Thomas Chen
35	Roses Southwest Papers	Albuquerque, NM	Robert E. Espat
36	Page After Page Business Systs.	Washington, DC	James V. Page, Jr.
37	ColorMatrix	Cleveland, OH	John C. Haugh
38	City Theatrical	Bronx, NY	Gary Fails
39	S & S Promotions	Oklahoma City, OK	Stephen Saak
40	Intech Construction	Philadelphia, PA	Craig J. Sabatino & William Schwartz
41	FBG Services	Omaha, NE	Wayne Simmonds
42	Tire Group International	Miami, FL	Antonio R. Gonzalez
43	Building Products Plus	South Houston, TX	William Plant
44	Interlink Group	Denver, CO	Mary Pat Link
45	Fischer Group	Louisville, KY	Fred A. Fischer, P.E.
46	Color Reflections	Philadelphia, PA	Eric Berger

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47	Steeltech Manufacturing	Milwaukee, WI	Charles L. Wallace
48	Advanced Electronics	Boston, MA	Stanley K. Chao
49	Quality Laser Services	Buffalo, NY	Gary J. Skalyo
50	Ullman Electric	Cleveland, OH	Ronald Ullman
51	Arizona Office Equip. & Supply	Phoenix, AZ	Jim Whitehead
52	Jen-Cyn Enterprises	Camden, NJ	Carol Ann Clements
53	Automotive Technologies	Indianapolis, IN	Jim Muehlhausen
54	Stagecoach Cartage & Distrib.	El Paso, TX	Scott McLaughlin
55	E. Morris Communications	Chicago, IL	Eugene Morris
56	International Power Devices	Boston, MA	Y.C. Chang
57	Girard's Fine Foods	Los Angeles, CA	William J. Perry & Jack Tucey
58	Shawmut Design & Construction	Boston, MA	Jim Ansara
59	Hopkins & Hopkins	Milwaukee, WI	Claude Hopkins & Floyd Hopkins, Jr.
60	Best Care	Minneapolis, MN	Nazneen Khatoon
61	Boulevard Brewing	Kansas City, MO	John McDonald
62	Tracey/Soltrace	Philadelphia, PA	James Trachtenberg
63	Diaz Foods	Atlanta, GA	René M. Díaz
64	Load King Manufacturing	Jacksonville, FL	Charles O. Chupp
65	Alegre Construction Specialists	Boston, MA	Edgar R. Cintron
66	Gateway Security	Newark, NJ	Louis DellErmo
67	CB Richard Ellis - Memphis	Memphis, TN	Earl Blankenship
68	Architectural Design Group	Oklahoma City, OK	Tom Wilson
69	Funk and Company	El Paso, TX	Gloria J. Funk
70	Hereford House	Kansas City, MO	Rod Anderson
71	Trendex	St. Paul, MN	Jeff Polacek
72	Eutectic Engineering	Detroit, MI	Charles E. Baer
73	Talan Products	Cleveland, OH	Steve Peplin
74	P. Flanigan & Sons	Baltimore, MD	Pierce J. Flanigan III
75	Waterworks	Columbus, OH	Thomas Havens
76	American Echo	Kansas City, MO	Martin Smoler
77	Fitigues	Chicago, IL	Steven & Andrea Rosenstein
78	Gene's Plating Works	Los Angeles, CA	Harry W. Levy
79	Tom Cat Bakery	Long Island City, NY	Noel Comess & Matthew Reich
80	American Christmas Decorations	Bronx, NY	Fred Schwam
81	A-1 Fire Equipment	Miami, FL	Earl Speigel & Randy Meland
82	Adtec Electroplating	Lawrence, MA	Ercole Sideri
83	Uniglobe Keystone Travel	Milwaukee, WI	Art Smith
84	Office Plus	Las Vegas, NV	Trace Marrs
85	Phoenix Hotel/Backflip Rest.	San Francisco, CA	Chip Conley
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87	Shapco Printing	Minneapolis, MN	Joel, Alan, & Robert Shapiro
88	Star Hardware	Hartford, CT	Hitesh "Max" Kothari
89	Stop Shop Save Food Markets	Baltimore, MD	Henry T. Baines, Sr.
90	Dock's Great Fish	Chicago, IL	Dennis Robertson
91	Warehouse One	Kansas City, MO	Mary Lou Jacoby
92	ABB Labels	Los Angeles, CA	Pedram Fararooy & Albert Khoshbin
93	Sterrett Dymond Stewart	Charlotte, NC	Theckla Sterrett
94	Badders Garage	San Antonio, TX	Brad A. Badders
95	Spectrum Imaging Systems	El Paso, TX	Marcelo Plesant
96	Neil Kelly	Portland, OR	Thomas Kelly
97	Levtran Enterprises	Hanover, MD	Rick Levin
98	Commercial Kitchen Repair	San Antonio, TX	Brock Coleman
99	Even Cut Abrasive	Cleveland, OH	Art Ellison
100	Leasa Industries	Miami, FL	L. George Yap

ICIC Initiative for a Competitive Inner City

The ICIC – Inc. Magazine **Inner City 100**

Inner City 100 Almanac

Inner City 100 by Industry
Business products/services: 24%
Construction products/services: 20%
Consumer goods: 18%
Hi-Tech products/services: 12%
Real Estate:6%
Accomodations/Food:4%
Professional, Science Services: 4%
Transportation:4%
Other: 8%

Inner City 100 by Sectors:
Service: 44%
Manufacturing: 35%
Retail Trade: 11%
Distrib/Wholesale10%

The Companies:
Average five-year growth rate: 700%
Average Compound Annual Growth Rate: 44%
Average 1997 Sales: $13,868,970
Median 1997 Sales: $6,080,567
Collective 1997 Sales: $1,386,897,014
Average number of employees: 105
Median number of employees: 52
Collective 1997 Jobs: 10,485
Collective Number of Jobs Generated in the Past Five Years: 4,695
Number of Companies with more than $30 million in revenue: 13
Average Age of Companies: 22 ½

THE TOP COMPETITIVE ADVANTAGES:
(as cited most frequently by CEOs)
1. Proximity to customers
2. Low Land Costs
3. Available Labor

THE TOP COMPETITIVE DISADVANTAGES:
(as cited most frequently by CEOs)
1. Perception of crime
2. Negative perception of Inner City
3. Lack of space to expand

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